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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

THERMOLIFE INTERNATIONAL, LLC,
Plaintiff,
vs.
BETTER BODY SPORTS, LLC et al.
Defendants

Master Case No.:
CV12-09229 GAF (FFMx)

**PLAINTIFF'S OPPOSITION TO
DEFENDANTS' RENEWED MOTION
FOR ATTORNEYS' FEES
PURSUANT TO 35 U.S.C. § 285**

Date: October 14, 2014
Time: 9:30 a.m.

AND CONSOLIDATED ACTIONS.

The Honorable Gary A. Feess
Roybal Courthouse

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1 **I. INTRODUCTION**

2 Defendants' Renewed Motion for Attorneys' Fees Pursuant to 35 U.S.C. § 285
3 ("Motion") should be denied. This Court already found last year that this case is not
4 exceptional, in full consideration of the facts and allegations described in Defendants'
5 Motion. *See* Dkt. No. 246 at 15-16. The facts of this case have not changed, and even
6 under the holistic, equitable standard outlined under *Octane Fitness v. Icon Health &*
7 *Fitness*, 134 S. Ct. 1749 (2014), there is nothing exceptional about this case warranting
8 an award of attorneys' fees.

9 There was nothing frivolous or exceptional about ThermoLife International,
10 LLC's ("ThermoLife") claims against Defendants. ThermoLife brought patent claims
11 legitimately grounded in fact and law against Defendants based on a presumed valid
12 patent, U.S. Patent No. 8,202,908 ("908 Patent"). Despite Defendants' attempt to twist
13 the facts, ThermoLife has acted in good faith in continuing to pursue its claims
14 throughout this litigation. ThermoLife conducted an investigation into the validity of
15 the '908 Patent and based on its research, the knowledge of its experts and Defendants'
16 own evidence, ThermoLife had a good faith basis for pursuing its claims in spite of
17 Defendants' asserted prior art. Defendants have not met its burden of establishing that
18 this case was exceptional and should be denied any award of fees.

19 For these reasons, this Motion should be denied.

20 **II. STANDARD OF LAW**

21 **A. The Supreme Court Has Imposed a Holistic, Equitable Approach to** 22 **Deciding Fee Motions in Patent Cases.**

23 "The Court in *exceptional cases* may award reasonable attorney fees to the
24 prevailing party." 35 U.S.C. § 285 (emphasis added). A district court's discretionary
25 power to award attorney's fees in patent litigation "is reserved for 'exceptional' cases."
26 *Octane Fitness*, 134 S. Ct. at 1756. Based upon the ordinary, contemporary, and
27 common meaning of the term "exceptional" codified in the discretionary fee-shifting
28

1 provision in the Patent Act,¹ the Supreme Court recently held that an “exceptional” case
 2 is “one that stands out from others with respect to the substantive strength of a party’s
 3 litigating position (considering both the governing law and the facts of the case) or the
 4 unreasonable manner in which the case was litigated.” *Id.* “District courts may
 5 determine whether a case is ‘exceptional’ in the case-by-case exercise of their
 6 discretion, considering the totality of the circumstances.” *Id.* The Supreme Court also
 7 held that “[t]here is no precise rule or formula for making these determinations,’ but
 8 instead equitable discretion should be exercised ‘in light of the considerations’ [the
 9 Supreme Court] has identified’”, and identified a non-exclusive list of factors including
 10 “frivolousness, motivation, objective unreasonableness (both in the factual and legal
 11 components of the case) and the need in particular circumstances to advance
 12 considerations of compensation and deterrence.” *Id.* at 1756 n.6 (quoting *Fogerty v.*
 13 *Fantasy, Inc.*, 510 U.S. 517, 534 n.19 (1994)).

14 The Supreme Court explained that “a district court may award fees in the *rare*
 15 case in which a party’s unreasonable conduct—while not necessarily independently
 16 sanctionable—is nonetheless so ‘exceptional’ as to justify an award of fees.” *Octane*
 17 *Fitness*, 134 S. Ct. at 1756-57 (emphasis added). The Supreme Court held that “a case
 18 presenting either subjective bad faith or exceptionally meritless claims may sufficiently
 19 set itself apart from mine-run cases to warrant a fee award.” *Id.* Finally, the Supreme
 20 Court rejected the Federal Circuit’s “clear and convincing evidence” standard, and held
 21 that a preponderance of the evidence standard applied. *Id.* at 1758.

22 “Although *Octane* eased the standard for fee shifting, and clearly reduced the
 23 prevailing party’s burden from clear and convincing to a preponderance of the evidence,
 24 post-*Octane* decisions awarding fees have concerned egregious behavior.” *Gametek*
 25 *LLC v. Zynga, Inc.*, CV 13-2546 RS, 2014 WL 4351414, *3 (N.D. Cal. Sept. 2, 2014);
 26

27 ¹ The Supreme Court noted, “In 1952, when Congress used the word in § 285 (and
 28 today, for that matter), ‘[e]xceptional’ meant ‘uncommon,’ ‘rare,’ or ‘not ordinary.’”
Octane Fitness, 134 S. Ct. at 1756 (citations omitted).

1 *see, e.g., Intellect Wireless, Inc. v. Sharp Corp.*, No. 10–6763, 2014 WL 2443871, at *6
 2 (N.D. Ill. May 30, 2014) (awarding fees based on false declarations before the PTO,
 3 without which, the court concluded, the plaintiff would not have obtained the patents at
 4 issue); *Cognex Corp. v. Microscan Sys., Inc.*, No. 13–2027, 2014 WL 2989975, at *4
 5 (S.D.N.Y. June 30, 2014) (criticizing plaintiff for post-trial motions that simply sought
 6 to re-litigate issues decided during trial and awarding fees at least as to those motions);
 7 *Precision Links Inc. v. USA Products Group, Inc.* No. 08–576, 2014 WL 2861759, at *3
 8 (W.D.N.C. June 24, 2014) (criticizing plaintiff for seeking a preliminary injunction
 9 based in large part on a previously-rejected theory of liability and filing frivolous post-
 10 dismissal motions).

11 **B. Even Exceptional Cases May Not Warrant an Award of Fees.**

12 “Courts deciding whether to award fees in patent cases engage in a two-step
 13 analysis.” *H-W Tech., Inc. v. Overstock.com, Inc.*, 3:12-CV-0636-G BH, 2014 WL
 14 4378750, *3 (N.D. Tex. Sept. 3, 2014) (citing *Motorola, Inc. v. Interdigital Tech. Corp.*,
 15 121 F.3d 1461, 1467–68 (Fed. Cir. 1997); *Sulzer Textil A.G. v. Picanol N.V.*, 358 F.3d
 16 1356, 1370 (Fed. Cir. 2004)). “They first determine whether the case is ‘exceptional’; if
 17 so, then they determine whether an award of attorneys’ fees is appropriate.” *Id.*

18 “The Supreme Court’s decision in *Octane* did not . . . revoke the discretion of a
 19 district court to deny fee awards even in exceptional cases.” *Icon Health & Fitness, Inc.*
 20 *v. Octane Fitness, LLC*, 2011-1521, 2014 WL 4194609, *3 (Fed. Cir. Aug. 26, 2014).
 21 “Even an exceptional case does not require in all circumstances the award of attorney
 22 fees.” *S.C. Johnson & Son, Inc. v. Carter-Wallace, Inc.*, 781 F.2d 198, 201 (Fed. Cir.
 23 1986). The Court should consider “the closeness of the case, the tactics of counsel, the
 24 conduct of the parties, and any other factors that may contribute to a fair allocation of
 25 the burdens of litigation as between winner and loser.” *Id.*

26 **III. ARGUMENT**

27 Defendants have not established that this case is that rare case that “stands out
 28 from the others” based on either: (1) “the substantive strength of [ThermoLife]’s

litigating position (considering both the governing law and the facts of the case)” or (2) “the unreasonable manner in which the case was litigated.” *Octane Fitness*, 134 S. Ct. at 1756. In the two recent Supreme Court decisions, the facts were far more egregious. *See id.* at 1755 (noting evidence that the patentee improperly “brought the infringement action ‘as a matter of commercial strategy’”); *Highmark Inc. v. Allcare Health Mgmt. Sys., Inc.*, 134 S. Ct. 1744, 1747-48 (2014) (noting that the district court had found that the patentee’s conduct was objectively unreasonable in light of evidence that the patentee “maintained infringement claims [against Highmark] well after such claims had been shown by its own experts to be without merit” and had “asserted defenses it and its attorneys knew to be frivolous.”). No such unreasonable and exceptional conduct exists in this case.

A. Plaintiff’s Litigating Position Was Not Exceptional Regarding the Governing Law or Relevant Facts.

1. ThermoLife’s Arguments Regarding the Italian Patent Application, Although Unavailing, Were Not Frivolous or Exceptional

The fact that the Court ultimately ruled against ThermoLife does not demonstrate that ThermoLife’s “claim was frivolous or otherwise exceptionally meritless” under the post-*Octane Fitness* standard. *Bianco v. Globus Med., Inc.*, 2:12-CV-00147-WCB, 2014 WL 1904228, *2 (E.D. Tex. May 12, 2014) (citing *iLOR, LLC v. Google, Inc.*, 631 F.3d 1372, 1378 (Fed. Cir. 2011) (“Though iLOR was ultimately unsuccessful in its patent infringement suit, Google has not met its high burden to show ... that this suit was brought frivolously or that iLOR’s position on claim construction was objectively baseless.”); *IP Innovation L.L.C. v. Red Hat, Inc.*, No. 2:07-cv-447 (E.D. Tex. Oct. 13, 2010), ECF No. 273, at 2. (Rader, J.) (“An award of attorneys’ fees ... must be predicated upon something beyond the fact that a party has prevailed.”)).

“Although the Court [] concluded that ThermoLife’s arguments regarding the accessibility and contents of the Italian Patent Application are ultimately unavailing, they do not rise to the level of frivolous.” Dkt. No. 246 at 15. The Court recognized

1 that “ThermoLife ‘provided expert testimony rebutting Defendants’ . . . claim that the
2 Italian Application was published, disseminated or made accessible to the public prior
3 to March 28, 2007.’” *Id.* at 16. Further, the district court “found ThermoLife’s
4 arguments of sufficient substance that it requested additional information about the
5 Italian Patent Application to assist it in properly disposing of [Defendants’ MSJ].” *Id.*
6 Where a party “did not ultimately prevail on summary judgment, [but] the court’s
7 opinion was delivered after hearing oral argument on the issues and was based on the
8 parties’ briefing and the expert reports,” a party’s claims are not “exceptionally
9 meritless.” *Gevo, Inc. v. Butamax Advanced Biofuels LLC*, CV 13-576-SLR, 2014 WL
10 4247735, *2 (D. Del. Aug. 26, 2014); *see also EON Corp. IP Holdings, LLC v. FLO TV*
11 *Inc.*, CV 10-812-RGA, 2014 WL 2196418, *2 (D. Del. May 27, 2014) (finding a case
12 not exceptional where the “decision was not an easy one,” and “[t]he Court heard oral
13 argument, scheduled a supplemental evidentiary hearing, and ordered post-trial briefing
14 on the issue.”). These are the exact circumstances here—the Court did hear oral
15 argument on the issues and its findings were based on the parties’ briefing and expert
16 reports, and the Court even sought supplemental briefing on the issues. As such, fees
17 are simply not warranted.

18 Furthermore, the fact that the Court already ruled that ThermoLife’s arguments
19 were not frivolous and made no finding that ThermoLife acted in bad faith weighs
20 heavily against finding this case to be exceptional. *See* Dkt. No. 246 at 15-16. As
21 explained in *Bianco*, 2014 WL 1904228, *2, in discussing the new standard under
22 *Octane Fitness*, “[t]he Supreme Court noted that either subjective bad faith or an
23 ‘exceptionally meritless’ claim could warrant a fee award.” The court held that a
24 “finding that neither part of the prior test was satisfied thus largely answers the question
25 whether [a] case is exceptional under the Supreme Court’s new test.” *Id.*

26 Many post-*Octane Fitness* cases explain that simply losing on an argument does
27 not make that argument exceptional and that frivolousness is still a central consideration
28 for finding a case exceptional. One court noted that though “Plaintiff may have asserted

1 a losing argument, [] this does not amount to the type of extraordinary misconduct
2 reserved for finding a case exceptional.” *H-W Tech., Inc. v. Overstock.com, Inc.*, 3:12-
3 CV-0636-G BH, 2014 WL 4378750, *4 (N.D. Tex. Sept. 3, 2014) (citing *Aspex*
4 *Eyewear Inc. v. Clariti Eyewear, Inc.*, 650 F.3d 1305, 1315 (Fed. Cir. 2010) (“Defeat of
5 a litigation position, even on summary judgment, does not warrant an automatic finding
6 that the suit was objectively baseless; all of the circumstances must be considered”);
7 *Digeo, Inc. v. Audible, Inc.*, 505 F.3d 1362, 1369 (Fed. Cir. 2007) (“Merely negligent
8 conduct does not suffice to establish that a case is exceptional”). Even where an
9 “argument is, in the Court’s view, quite stretched, such that few patentees would pursue
10 it,” a court may not find the case to be exceptional if “the Court cannot quite conclude
11 that *no* reasonable patentee could [make the argument].” *EON Corp. IP Holdings LLC*
12 *v. Cisco Sys. Inc.*, 12-CV-01011-JST, 2014 WL 3726170, *5 (N.D. Cal. July 25, 2014)
13 (observing that even though the plaintiff’s conduct was difficult to explain—e.g.,
14 significant delays with little purpose, one of its own arguments “vitiating ... one of its
15 primary infringement theories[,]” and some of its infringement argument was “quite
16 stretched[,]”—but ruled that it was not an exceptional case); *see also Gametek LLC v.*
17 *Zynga, Inc.*, CV 13-2546 RS, 2014 WL 4351414, *3 (N.D. Cal. Sept. 2, 2014) (finding
18 a case is not exceptional because “[i]t did not . . . descend to the level of frivolous
19 argument or objective unreasonableness.”). Here, ThermoLife’s arguments were not
20 frivolous and fees should not be awarded.

21 **a) ThermoLife Reasonably Believed that the Italian Patent**
22 **Application Was Not a Publication under 35 U.S.C. § 102(b)**

23 35 U.S.C. § 102(b) (“Section 102(b)”) bars patenting an invention described in a
24 printed publication more than one year prior to the filing date of a U.S. patent. 35
25 U.S.C. § 102 (2006)² (“A person shall be entitled to a patent unless— . . . (b) the
26

27 ² “Section 102 was amended by the Leahy–Smith America Invents Act, Pub.L. 112–29,
28 Sec. 3, 125 Stat 284 (Sept. 16, 2011).” *SD3, LLC v. Dudas*, No. CIV. 08-1242 RCL,
2013 WL 3368873, *10 n.4 (D.D.C. July 8, 2013). “But, the old version still applies to

Continued on the next page

1 invention was patented or described in a printed publication in this or a foreign country .
2 . . more than one year prior to the date of the application for patent in the United
3 States.”). Throughout this litigation, there was a substantial dispute on whether the
4 Italian Patent Application was truly a “printed publication” under Section 102(b).

5 First, Defendants never cited to a single case finding that an Italian patent
6 application is *per se* a publication under Section 102(b). Second, the level of
7 accessibility of the prior art in the cases cited by Defendants were distinguishable from
8 accessing a provisional patent application in the Italian patent system. Unlike the cases
9 cited by Defendants, *In re Carlson*, 983 F.2d 1032, 1034 (Fed. Cir. 1992) and *In re*
10 *Hall*, 781 F.2d 897, 898 (Fed. Cir. 1986) (Dkt. No. 204-1 at 14), access to the Italian
11 Patent Application was questionable as it was not on display for public view or openly
12 available to the public in a library. “The proponent of the publication bar must show
13 that prior to the critical date the reference was sufficiently accessible, at least to the
14 public interested in the art, so that such a one by examining the reference could make
15 the claimed invention without further research or experimentation.” *Hall*, 781 F.2d at
16 899. Based on the understanding of ThermoLife’s expert in this case, it was believed
17 that in the relevant time period, a person of ordinary skill in the art could not have
18 accessed the actual Italian Patent Application in order to use the method disclosed in the
19 application. See Dkt. No. 226-4 at 4-15. As explained above, even though
20 ThermoLife’s expert report and legal arguments were ultimately unavailing, these
21 arguments were not exceptional.

22 **b) Claim Construction of the ’908 Patent Was Not Needed**

23 Defendants assert that claim construction was “a necessary step to determine
24 infringement.” Motion at 13. However, “Federal Circuit precedent, the Court’s rulings
25 in *Twombly* and *Iqbal*, and Federal Rule 8, make clear that neither claim construction
26

27 Continued from the previous page

28 this case, since the patent application was filed well before the amendment’s effective date.”

1 nor prior art is required to be included in the pleadings.” *Hall v. Bed Bath & Beyond,*
2 *Inc.*, 705 F.3d 1357, 1372 (Fed. Cir. 2013) (affirming denial of Rule 11 motion). This
3 argument is especially irrelevant since Defendants conceded that claim construction was
4 not needed during its summary judgment briefing. See Dkt. No. 212 at 32 (“Defendants
5 contend that no terms in the claims of the ‘908 patent need to be construed.”). Further,
6 even if claim construction was needed, “simply being wrong about claim construction
7 should not subject a party to sanctions where the construction is not objectively
8 baseless.” *iLOR*, 631 F.3d at 1380.

9 **c) ThermoLife Reasonably Argued that the Italian Patent**
10 **Application did not Anticipate the ‘908 Patent**

11 ThermoLife argued that the unpublished study described in the Italian Patent
12 Application did not anticipate Claim 1 of the ‘908 Patent for several reasons, not solely
13 based on the claim construction arguments denoted in Defendants’ Motion. See Motion
14 at 13-15. “[U]nless a reference discloses within the four corners of the document not
15 only all of the limitations claimed but also all of the limitations arranged or combined in
16 the same way as recited in the claim, it cannot be said to prove prior invention of the
17 thing claimed and, thus, cannot anticipate under 35 U.S.C. § 102.” *Net MoneyIN, Inc. v.*
18 *VeriSign, Inc.*, 545 F.3d 1359, 1371 (Fed. Cir. 2008). The core subject matter of the
19 Italian Patent Application was an invention to “stimulate procreative activity in men by
20 increasing the sperm count and sperm vitality.” Dkt. No. 204-3 at 80. This was distinct
21 from the method disclosed in the ‘908 Patent of “increasing the levels of testosterone,
22 growth hormone, and/or insulin-like growth factor 1 in an adult male human.”
23 Declaration of Tyler J. Woods (“Woods Decl.”), ¶ 4, Ex. C at 6:18-20. In addition, the
24 Italian Patent Application dealt only with diseased oligoasthenozoospermic patients and
25 ThermoLife contended that those results do not anticipate the benefits of D-aspartic
26 acid, D-Aspartate salts, and D-aspartate esters to the general healthy adult population.
27 Dkt. No. 204-3 at 80. These distinctions, as well as the issue of whether the Italian
28

1 Patent Application was a publication, supported ThermoLife's arguments that the
2 Italian Patent Application did not invalidate the '908 Patent.

3 In fact, ThermoLife's belief that the Italian Patent Application did not constitute
4 invalidating prior art was endorsed by the author of the Italian Patent Application
5 himself. As noted in Antimo D'Aniello's September 11, 2013 email to Jeffrey Arnold
6 (counsel for several of the Defendants) "I think that the proof collected are [sic] not
7 sufficient to invalidate the Arnold Patent." Dkt. No. 244-5 at 1. Dr. D'Aniello went on
8 to explain to Mr. Arnold on September 11, 2013 that "[t]he only official document that
9 has been published which concern D-aspartate and testosterone, is that of Topo et al., of
10 October 27, 2009." *Id.* As Dr. D'Aniello admitted, "[t]his, however, is after the date of
11 submission of the ['908 Patent]." *Id.*

12 The cases cited by Defendants are inapplicable. Even in *Raylon*, where the
13 Federal Circuit held that the plaintiff's claim construction arguments were frivolous, the
14 Federal Circuit did not perform an analysis under 35 U.S.C. § 285 and instead
15 remanded the case to the district court to evaluate whether the case was exceptional.
16 *Raylon, LLC v. Complus Data Innovations, Inc.*, 700 F.3d 1361, 1370 (Fed. Cir. 2012)
17 *cert. denied*, 134 S. Ct. 94, 187 L. Ed. 2d 33 (U.S. 2013) ("We remand to the district
18 court to reconsider, in light of our decision, whether these cases are exceptional under §
19 285."). This demonstrates that even cases involving Rule 11 violations may not be
20 deemed exceptional. Further, "Raylon's claim construction . . . [wa]s contrary to all the
21 intrinsic evidence and d[id] not conform to the standard canons of claim construction."
22 *Id.* at 1369. The Federal Circuit held that in that case, it was "a clear instance where no
23 objectively reasonable litigant, relying on the single sentence in the specification to
24 support its position, would believe its claim construction could succeed[.]" *Id.* More
25 importantly, the Court held that "[t]he district court's failure to consider these
26 arguments was an abuse of discretion." *Id.* This case is clearly distinguishable since
27 the Court did consider Defendants' claim construction arguments and even ruled in
28

1 Defendants' favor, but found that ThermoLife's arguments were not frivolous. *See* Dkt.
2 246 at 15-16.

3 In the other case cited by Defendants, the Federal Circuit affirmed a district
4 court's finding that the litigants' claim construction was objectively baseless, a finding
5 that does not exist here. *See Taurus IP, LLC v. DaimlerChrysler Corp.*, 726 F.3d 1306,
6 1327 (Fed. Cir. 2013). Further, the court based its ruling in part due to the patentee's
7 subjective bad faith demonstrated by its continued litigation of its claims after the court
8 already construed the subject term against the patentee. *See id.* at 1328 ("a party cannot
9 assert baseless infringement claims and must continually assess the soundness of
10 pending infringement claims, especially after an adverse claim construction"). Here,
11 the disputed constructions resulted in an adverse finding against ThermoLife and
12 ThermoLife has not continued to pursue its claims against Defendants. Thus, the
13 exceptional circumstances in *Taurus* do not exist in this case.

14 Should the Court find that this is an exceptional case despite the fact that
15 Defendants' entire argument is based on only one of many of ThermoLife's asserted
16 bases for disputing the invalidating effect of the Italian Patent Application, the Court
17 should limit any fees to those spent addressing the claim construction arguments of
18 which Defendants complain. In *Linex Technologies, Inc. v. Hewlett-Packard Co.*, C 13-
19 159 CW, 2014 WL 4616847, *5 (N.D. Cal. Sept. 15, 2014), the court held that the
20 party's claim construction of the term "spread spectrum" was exceptional, but "only the
21 fees fairly attributable to the spread spectrum claims can be recovered[.]" Accordingly,
22 the court directed that each Defendant "compile an accounting of fees limited to work
23 on these claims, in sufficient detail to satisfy the Ninth Circuit's standard for fee
24 awards." *Id.* (citing *Welch v. Metro Life Ins. Co.*, 480 F.3d 942, 948 (9th Cir. 2007)).
25 The court explained that under the Ninth Circuit's standards, the party seeking fees
26 must provide "detailed descriptions of the billed time and tasks that can properly be
27 attributed to the spread spectrum claims" and must "justify the rates at which the
28 attorneys billed." *Id.* In this case, Defendants should be required to detail the time spent

1 on briefing the specific issues that the Court finds are exceptional and justify the rates at
2 which the attorneys billed as well as the amount of time spent on these issues.

3 **2. ThermoLife Reasonably Investigated the Applicable Date of**
4 **Invention**

5 Defendants contend that ThermoLife's publication and conception arguments
6 were baseless based on three allegations: (1) ThermoLife did not consult the inventor
7 prior to filing claims against Defendants; (2) the inventor's documents were destroyed
8 and (3) the inventor's date of conception evidence was pre-dated by the Italian Patent
9 Application. ThermoLife will address the deficiency of these allegations in turn.

10 **a) Defendants' Assertions That ThermoLife Made No Effort**
11 **to Contact the Inventor Is Not Based In Law, Is a Red Herring**
12 **and Should Be Ignored**

13 Defendants make several irrelevant assertions regarding ThermoLife's
14 interactions with the inventor to support its claim that this case is exceptional. *See*
15 Motion at 12, 15. First, Defendants cite to no case law to support their claim that not
16 immediately contacting the inventor of a patent prior to filing suit is a violation of Rule
17 11 warranting sanctions. *Id.* This is unsurprising as the Federal Circuit has already
18 held that there is "no authority that requires attorneys to consult with patentees *during*
19 *the pre-filing investigation[.]*" *Orenshteyn v. Citrix Sys., Inc.*, 341 F. App'x 621, 627
20 (Fed. Cir. 2009). The court went further to state that "there is some advantage in
21 attorneys making their own independent evaluation of a patent infringement issue free
22 from any inherent bias of the inventors." *Id.* Thus, any perceived failure to contact the
23 inventor prior to filing suit cannot serve as a basis for fees as it is not exceptional.

24 **b) Destruction of the Inventor's Documents Has No Bearing**
25 **on the Adequacy of ThermoLife's Investigation or the**
26 **Prosecution of the Case**

27 Defendants allege without any legal basis that the destruction of an inventor's test
28 records and research materials due to the fact that his company became defunct long

1 before this litigation commenced is evidence of ThermoLife's failure to investigate the
2 validity of the patent-in-suit. *See* Motion at 12, 15. First, ThermoLife was in no way
3 involved with the loss of the documents at issue. Second, the circumstances concerning
4 the inventor's documents prior to a patent owner obtaining a patent does not restrict a
5 patent owner from enforcing its patent rights, and Defendants can point to no case law
6 supporting a claim that the past destruction of an inventor's documents is exceptional
7 conduct. Third, when assessing bad faith, "[t]he important inquiry is . . . whether the
8 totality of the circumstances as of the date of document destruction made litigation
9 reasonably foreseeable." *Micron Tech., Inc. v. Rambus Inc.*, 645 F.3d 1311, 1325 (Fed.
10 Cir. 2011). Here, the documents at issue were destroyed long before this litigation
11 commenced and due to the inventor's company becoming defunct. Under these
12 circumstances, ThermoLife and indeed the inventor were not engaging in "advantage-
13 seeking behavior." *Id.* at 1326.

14 **c) Defendants Cannot Recover Fees Regarding Anticipation**
15 **Arguments under 35 U.S.C. § 102(a)**

16 Defendants incorrectly contend that ThermoLife's arguments concerning the date
17 of conception of the '908 Patent, an issue not ruled on by the Court, is a basis for its
18 fees request. Here, ThermoLife had a good faith basis for arguing that the conception
19 of the '908 Patent by the inventor pre-dated the Italian Patent Application, which the
20 Court ruled was published on March 15, 2007. Dkt. No. 246 at 13-14. The inventor,
21 Patrick Arnold, testified that he first began working on the D-aspartic acid project in
22 2000, and only finished working on it in 2008:

23 Q. So would it be accurate to say that from the time you first conceived
24 it in 2000 and the time you applied for your provisional patent application on
25 March 28, 2008, there were gaps of six months and a year from when you would
26 just not work on the project. Do I have that correct?

27 A. Yes.

1 Declaration of Tyler J. Woods, ¶ 3, Ex. B at 79:5-12. Thus, it was the inventor's
2 testimony that the date of conception pre-dated the March 15, 2007 publication of the
3 Italian Patent Application.

4 The e-mail dated January 2, 2008 submitted by ThermoLife was provided to
5 prove that "Patrick Arnold, the inventor of the '908 Patent, conceived of his idea prior to
6 the publication of the February 2008 Article" presented by Defendants as prior art. Dkt.
7 No. 246 at 5. The e-mail proved that *at least* by January 2, 2008, the inventor had
8 conceived of the invention, but does not contradict his prior testimony that he conceived
9 of the invention earlier. *See* Dkt. No. 209-6 at 79:5-12. Accordingly, this e-mail does
10 not support any finding that ThermoLife's arguments were exceptional. More
11 importantly, the Court made no rulings regarding this e-mail or the conception date of
12 the '908 Patent.

13 Nonetheless, even if Defendants could argue that ThermoLife's arguments were
14 exceptional, they could not recover fees on this issue. Under 35 U.S.C. § 285, a "court
15 in exceptional cases may award reasonable attorney[s'] fees to the *prevailing* party."
16 (emphasis added). Here, the only issue where Defendants are the prevailing party was
17 the Court's invalidation of the '908 Patent based on the Italian Patent Application's
18 publication status under 35 U.S.C. § 102(b), not § 102(a). *See* Dkt. 246 at 13 ("[T]he
19 Italian Patent Application qualifies as prior art under 35 U.S.C. § 102(b) because the
20 Italian Patent Application predates the provisional application for the '908 Patent by
21 more than a year."). As the Court noted, "one cannot recover attorney's fees as a
22 prevailing part[y] on an issue never addressed by the Court." Dkt. 267 at 3.
23 Accordingly, Defendants cannot recover fees based on this issue.

24 **B. ThermoLife's Litigation Conduct Was Reasonable**

25 Defendants' assert, without any legal basis, that ThermoLife's litigation conduct
26 was unreasonable, citing to irrelevant facts and providing no legal authority for its
27 claims. *See* Motion at 17-18.

1 First, Defendants repeat their argument that ThermoLife's failure to contact the
2 inventor, Mr. Arnold, prior to commencing litigation somehow makes this case
3 exceptional. *See* Motion at 27. As explained previously, a patentee is not required to
4 consult with the inventor prior to commencing suit. *See Orenshteyn*, 341 F. App'x at
5 627. Defendants also contend that ThermoLife's lack of consultation with the inventor
6 until after he was deposed was exceptional, yet Defendants can point to no case law
7 where a patentee is punished for not consulting with an inventor in the circumstances in
8 this case. *See* Motion at 27. Even if ThermoLife did not consult the inventor on the
9 time schedule demanded by Defendants, ThermoLife did consult with Mr. Arnold
10 concerning his date of conception and provided evidence from him in support of its
11 claims. *See, e.g.*, Dkt. No. 236.

12 Second, Defendants also provide no basis for claiming that ThermoLife should
13 have provided Mr. Arnold a copy of the Italian Patent Application, Defendants'
14 counterclaims or their counsels' letters. *See* Motion at 27. ThermoLife retained experts
15 and addressed Defendants' arguments concerning the Italian Patent Application through
16 its correspondence with Defendants' counsel and through its experts' testimony. There
17 was nothing exceptional in not relying upon an inventor on the legal issue of whether
18 the Italian Patent Application was a publication or whether it anticipated the '908
19 Patent.

20 Third, Defendants contend that Mr. Arnold's lack of disclosure of tests in his
21 patent application and destruction of his company's records allegedly warrant fees
22 against ThermoLife. *See* Motion at 27. As stated above, such facts do not warrant an
23 exceptional case finding as Defendants did not prevail in these arguments and they do
24 not support a finding of an exceptional case. *See* Dkt. No. 246 at 9 (the Court noted the
25 destroyed documents, but made no finding of bad faith or exceptional conduct).
26 Further, where "the patent holder-plaintiff did not participate in the inequitable
27 conduct" such conduct should not warrant an award of fees. *Intellect Wireless, Inc. v.*
28 *Sharp Corp.*, 10 C 6763, 2014 WL 2443871, *9 (N.D. Ill. May 30, 2014) (citing

1 *McKesson Info. Solutions Inc. v. Bridge Med., Inc.*, CIV. S-02-2669FCDKJM, 2006
2 WL 2583025, *7 (E.D. Cal. Sept. 6, 2006) (noting that the court should consider “the
3 level of culpability in deciding whether justice would be served by an award of fees”).

4 **C. In Light of Defendants’ Misconduct, It Would Be Inequitable to**
5 **Award Defendants Fees**

6 Defendants’ distorted representation of the procedural history of this case
7 conveniently glosses over their own misconduct throughout this litigation, which
8 weighs against awarding fees even if the Court finds this case to be exceptional. *See*
9 Motion at 2-12. “Even an exceptional case does not require in all circumstances the
10 award of attorney fees.” *S.C. Johnson & Son, Inc.*, 781 F.2d at 201. In determining
11 whether to award fees, the Court should consider “the closeness of the case, the tactics
12 of counsel, the conduct of the parties, and any other factors that may contribute to a fair
13 allocation of the burdens of litigation as between winner and loser.” *Id.*

14 On June 25, 2013, Defendant Muscle Warfare brought a premature Motion for
15 Sanctions pursuant to Federal Rule of Civil Procedure 11 (“Rule 11”) against
16 ThermoLife seeking attorneys’ fees under Rule 11 and 35 U.S.C. § 285, based almost
17 entirely on its arguments that the ’908 Patent was invalid, in direct violation of the
18 district court’s clear briefing schedule on the question of the ’908 Patent’s validity. *See*
19 Dkt. No. 204. On July 15, 2013, a separate set of Defendants brought their own Rule
20 11 Motion, based on similar grounds. *See* Dkt. No. 214. Both Motions were based on
21 many of the same arguments set forth in this renewed motion, claiming that ThermoLife
22 failed to perform a reasonable pre-filing inquiry and failed to investigate the validity of
23 the ’908 Patent. *See* Dkt. Nos. 204, 214. The Court properly ordered both of these
24 Motions for Sanctions stricken, finding that at best, these Motions were premature, and
25 at worst, these Motions were an attempt by Defendants to force the Court to expedite
26 ruling on the invalidity question. *See* Dkt. No. 220 at 2.

27 On July 15, 2013, Defendants filed a Motion for Summary Judgment of
28 Invalidity of the ’908 Patent and for Attorneys’ Fees (“MSJ”). *See* Dkt. No. 212.

1 Defendants claimed that they were entitled to attorneys' fees pursuant to 35 U.S.C.
2 § 285, asserting that this case should be treated as an exceptional case. *See id.* at 22-24.
3 To support its request that the case be deemed exceptional, Defendants' counsel
4 blatantly misrepresented to the district court that ThermoLife "refused to identify a
5 good faith basis [for proceeding with the suit], and instead demanded money." *Id.* at
6 17. In fact, it was one of Defendants' counsel that insisted on a monetary counteroffer
7 even after ThermoLife identified its good-faith basis for proceeding. *See Woods Decl.*,
8 ¶ 2, Ex. A at 2 ("Will your client make a counteroffer? If not, what is its end goal
9 against Muscle Warfare?"). Even more egregious, Defendants attempted to mislead
10 the district court with falsified evidence of the availability of the Italian Patent
11 Application, mixing in *present day* webpages with *archived* webpages to make it seem
12 as though the search results for the Italian Patent Application and the record for the
13 Application were available in 2008. *See Dkt. No. 226* at 5-6.

14 On August 22, 2013, the Court requested additional materials from both parties.
15 *See Dkt. No. 233*. The district court requested that Defendants produce "[a] copy of the
16 unpublished study, referenced on page 258 of the translation of the Italian Patent
17 Application . . . in which researchers 'observed that ingestion of D-aspartic acid (2–4
18 gram daily dose) for a determined number of days induces a statistically [significant]
19 increase in blood testosterone concentration . . .'" *Id.* In response, Defendants filed a
20 different study and violated their ethical duty of candor by falsely claiming it was the
21 study requested by the district court. *See Dkt. No. 238* at 2. ThermoLife promptly
22 brought the Defendants' misrepresentation to the district court's attention and the
23 district court ordered Defendants to respond to the objection. *See Dkt. Nos. 240, 242,*
24 *243*. Rather than explain why they lied and intentionally misled the Court by
25 submitting the wrong study, Defendants responded by arguing that the study requested
26 by the Court was irrelevant to the validity of the '908 Patent. *See Dkt. No. 244*.

27 Further, Defendant Muscle Warfare brought a Motion for Exceptional Case Fees
28 on October 30, 2013, this time on the basis of non-infringement, an issue the district

1 court never addressed in its final judgment. *See* Dkt. No. 257. The Court properly
2 denied Muscle Warfare’s Motion, stating that it did not make an infringement
3 determination and “determining that no infringement occurred would require the Court
4 to revisit the merits of the case after having already entered a final judgment.” Dkt. No.
5 267 at 1-2. The Court recognized that it “never addressed whether ThermoLife’s
6 infringement arguments were baseless or brought in bad faith because the Court
7 resolved the case on an affirmative defense – invalidity.” *Id.* at 3. Thus, the Court held
8 that “one cannot recover attorney’s fees as a prevailing part[y] on an issue never
9 addressed by the Court.” *Id.* The Court further concluded that “since final judgment
10 has already been entered in this case, such a review of unsettled and unnecessary facts
11 may well be outside the Court’s Article III power.” *Id.*

12 This history of Defendants’ attempts to circumvent the Court, frivolous legal
13 arguments, and blatant misrepresentations to the Court weigh against awarding fees.
14 Nonetheless, should the Court find this case exceptional and grant fees to Defendants,
15 the Court should limit such fees to those incurred and not grant Defendants their fees
16 wholesale. *See, e.g., Yufa v. TSI Inc.*, 09-CV-01315-KAW, 2014 WL 4071902, *5
17 (N.D. Cal. Aug. 14, 2014) (limiting fee recovery to after patent tutorial was conducted).

18 **IV. CONCLUSION**

19 Based upon the foregoing, ThermoLife respectfully requests that the Court deny
20 Defendants’ Motion.

21
22 Respectfully submitted,

23 NEWPORT TRIAL GROUP, APC

24 Dated: September 29, 2014

25 By: /s/ Tyler J. Woods
26 Tyler J. Woods
27 Attorneys for Plaintiff
28

CERTIFICATE OF SERVICE

I hereby certify that on September 29, 2014, I electronically filed the foregoing **PLAINTIFF'S OPPOSITION TO DEFENDANTS' RENEWED MOTION FOR ATTORNEYS' FEES PURSUANT TO 35 U.S.C. § 285** with the Clerk of the Court using the CM/ECF system which will send notification of such filing via electronic mail to all counsel of record.

/s/Tyler J Woods

Tyler J Woods